

MINUTES

BOARD/COMMISSION: Recreation

DATE: 10/19/11

MEETING: Regular

CALLED TO ORDER: 7:30 p.m.

QUORUM: Yes

ADJOURNED: 9:25 p.m.

LOCATION: Glen Ellyn Civic Center

MEMBER ATTENDANCE:

PRESENT: Chairman Girsch, Commissioners Cavanaugh, Cornwell, Graham, Jourdan, Miller, Student Commissioner Parker

ABSENT: Commissioner Dell

ALSO PRESENT: Trustee Liaison Ladesic, Recreation Director Pekarek, Recording Secretary Solomon

Call to Order

Chairman Girsch called the Glen Ellyn Recreation Commission regular meeting to order at 7:30p.m., in the Civic Center at 535 Duane Street, Glen Ellyn, Illinois.

Public Comments

None

Approval of Minutes

Commissioner Cavanaugh moved and Commissioner Jourdan seconded that the minutes of the September 17, 2011 minutes be approved. This motion carried unanimously by a vote of 6-0.

Manager's Report/Financial Report

Recreation Director Matt Pekarek reported rounds were down 12% in September as the first two weeks of the month were good then the last two weeks were poor. He stated there are many outings in September, especially on the weekends. He stated the weather and the down economy are impacting golf rounds more than ever as play patterns are different.

He stated they did not aerate 18-hole greens until after Columbus Day, which is the latest they have ever aerated. He stated delaying aeration helped them some in September and early

October, but has hurt them in the second half of October. He stated they will see how the greens recover later in the year with less warm weather to aid recovery.

He stated Fall Fest is a 10-week period after Labor Day where they do a mix of discount promotions. He stated the results from the discounts do not indicate that they would benefit by expanding or contracting the scope of these promotions.

He stated high school golf dominated weekday afternoons in September. He stated there are not enough courses to play and practice in the area so there are some days when the Village Links has six or seven golf teams on the property, using the 9-hole course, practice greens and driving range. He stated high school golf only lasts for six weeks and does not bring in much revenue and then it is nearly impossible to rebuild a clientele to fill these tee times that have been closed to the public for several weeks.

He stated fall is skunk and raccoon damage season. He stated they spent parts of the spring and summer months trying to figure out when and where the beetles will lay their eggs. He stated they peel square-foot pieces of sod back around the course to check for grubs at key times of the year, often finding about 20 grubs in each square foot, which is a huge number of insects when you look at all 240 acres. He stated there are places decimated by overnight damage, but for the most part, they keep the damage off greens, tees, and fairways. Commissioner Miller asked if they trapped the skunks. Recreation Director Pekarek replied they do not do this as they would not have enough traps as there can be hundreds of skunks and raccoons. He stated the raccoons are an ongoing problem, getting into trash containers at night and making a mess.

He stated they did work in parks in September. He stated they hand-trimmed the 5200 linear feet of lake banks in Panfish Park. He stated they widened the walking trail in Manor Woods. He stated Manor Woods needs a lot of work to combat the spread of invasive plants. Staff is implementing a 10-year plan to improve the aesthetic and environmental value of the property.

Commissioner Cavanaugh asked if there was inflation as the expenses for Food Services and the Pro Shop are higher than last year. Recreation Director Pekarek stated there has been no significant shift in spending levels, and he was expecting seasonal expenses to balance out in September. Instead, expense remained up for the year. He stated that variable costs in food and pro shop were higher earlier in the year due to product and transportation costs being up. He stated the financial performance seems to be about the same as previous years. Commissioner Graham asked how much is in the Cash Reserve to which Recreation Director Pekarek answered \$2 million dollars at end of year.

Trustee Liaison Report

Trustee Ladesic stated the Village Board on October 10 approved the \$18,5000 cost for a National Golf Foundation consultant who will conduct a review of profits projected to result from facility improvements being contemplated at the Village Links golf course.

Commissioner Graham asked what the perception is by the Village Board regarding the facility plan. Trustee Ladesic stated it is one of the top five goals of the Trustees. Commissioner Graham asked how things are proceeding with the National Golf Foundation (NGF) now that the Village Board has approved the consultant to which Recreation Director Pekarek stated he told the NGF on October 11, 2011 they could proceed. He stated he has a meeting set-up on either October 31st or November 1st with the NGF. He stated he will email the exact date when he confirms. He stated, per their request, he is gathering detailed monthly historical revenue data and examples of local competition for the NGF. Commissioner Graham asked if the NGF would be contacting the Recreation Commission for any feedback to which Recreation Director Pekarek stated the NGF would not be contacting the Recreation Commission as the NGF is to evaluate the Master Plan and to evaluate the performance of the Village Links as it is today to identify strengths, weaknesses and what can be done better and the NGF's main charge is to evaluate if the profit projections are realistic.

Recreation Director Pekarek stated this review will be of limited value, but the best part is this is an professional external review. He stated he respects the NGF's numbers and data, but it will not be a slam dunk as even though the NGF understands the big picture, they could misapply that data to the local situation. Chairman Girsch stated this will be an unbiased, independent study.

Commissioner Jourdan asked if Recreation Director Pekarek or the NGF will research the competition to which Recreation Director Pekarek stated it is a limited scope study. He gave the NGF a limited list of competitors, broken down by four business products of 9-hole golf business, 18-hole golf business, driving range competition, and golf outings. He stated the NGF will also refer to data on competition generated in a customer survey program conducted at the Village Links in 2008 and 2009.

Recreation Director Pekarek stated it might be practical for the Recreation Commission to have a member sit in when they meet with staff. He stated that the Village Manager, Director of Golf, Golf Course Superintendant, Food and Beverage Manager will attend this meeting if available.

Recreation Director Pekarek stated the NGF will look at the property and evaluate operational capability. He stated the NGF has indicated that a common mistake is to identify an improvement that can work on a property, but fails because of a lack of organizational capability in marketing, operating expertise, etc.

Trustee Ladesic stated the Village hired a new Finance Director Kevin Wachtel who will start November 2, 2011. He stated Director Wachtel was formerly at the Village of Riverside.

Commissioner Cavanaugh asked about the new purple Emerald Ash Borer tags on the ash trees to which Trustee Ladesic stated these tags state those trees are being treated and how long the steps will take. Recreation Director Pekarek stated there are two tags – one for trees that were treated under a grant and the other one is for untreated ash trees so the residents know what

an ash tree is. He also stated they have not seen Emerald Ash Borer on the golf course. Trustee Ladesic stated if you do have an infected ash tree on your property, it does have to come down.

User Fees 2012

Recreation Director Pekarek stated the User Fees are broken into the four pricing groups of 18-hole weekday and weekend play and 9-hole weekday and weekend play. He stated there is not a single pricing strategy across the board as there are differences during the days of the week and in the Spring, League Season and Fall. He stated the current business strategy is focused less generating more revenue through price increases and more on discount promotions and marketing efforts. He stated rounds are down seven percent and overall revenue is down three percent in 2011, but 18-hole weekend play is up eight percent in 2011 compared to 2010 so they have been successful in increasing the volume, but not the revenue. He stated they did more discounting in 2011, they had the Happy Hour promotion for all 2011, and they had much more play on the 18-hole course during the twilight hours.

Commissioner Miller stated that cart fee discounts should be considered.

Recreation Director Pekarek stated that the Village Links has kept most discounts focused on the green fee and that carts are optional. He noted that discounts have proved to be a failed business strategy that have not helped increase revenue, either at the Village Links or at any other golf course. Commissioner Cavanaugh stated if there was discounting across the board, they would be leaving money on the table. Recreation Director Pekarek stated they work to stimulate demand in slow time periods, but there is no hour in which they do not do business. As a result, any discount begins with an initial reduction in revenue from existing customers. Commissioner Graham stated the least attractive times should have the best rates to which Recreation Director Pekarek stated successful price promotions need to work on a micro and macro level. They must be attractive to the customer and increase revenue for the golf course. This usually involves more than discounted prices to be a win-win. Commissioner Graham stated that the staff report shows that non-resident weekend play has gone up while the resident play has gone down, while resident weekday play has gone up while non-resident play has gone down. Recreation Director Pekarek described some of the differing supply and demand factors involved.

Commissioner Miller asked about a possible reward card that could build a big database as he has seen at other golf courses. Recreation Director Pekarek stated this could be an option with the next POS system which they hope will be bought soon. Recreation Director Pekarek stated the VIP program is a major effort that serves a similar function. About 1000 Village Links customers purchase the VIP Card and buy more than \$300,000 in green fees.

Commissioner Cavanaugh asked about raising the resident card fees to which Recreation Director Pekarek stated they have not raised the price on these cards in over 25 years. Recreation Director Pekarek stated the token early season resident card price provides incentive for residents to come in and get them before March 15 and the cost of issuing cards has come down with advancements in technology. Commissioner Cavanaugh stated they could

raise an additional \$30,000 just by raising the resident card fees by \$5. Commissioner Cornwell stated the residents may not remember what they paid the year before and it would be an easy way to gain some extra revenue. Commissioner Cavanaugh stated it would not be wise to raise resident green fees. The resident card system was discussed.

Commissioner Cornwell made a motion to recommend to the Village Board the Resident Card fees for Adults before March 15th would go to \$10 each and after March 15th would go to \$20 each while Junior Resident Card fees would go to \$5 before March 15th and \$10 after March 15th. Commissioner Jourdan seconded the motion, and the motion passed by a vote of 5-0.

Commissioner Cornwell also made a motion to recommend to the Village Board to keep the 2012 User Fees the same as the 2011 User Fees. Commissioner Jourdan seconded the motion, and the motion passed unanimously by a vote of 6-0.

Announcements and Other Business

The next meeting of the Recreation Commission will be Wednesday, November 16, 2011 at 7:30 p.m. at the Civic Center.

Adjourn

Chairman Girsch adjourned the meeting at 9:25 p.m.

Submitted by: Debbie Solomon, Recording Secretary

Reviewed and edited by Matt Pekarek, Recreation Director November 10, 2011

Approved by the Recreation Commission November 16, 2011